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Form 990

Return of Organization Exempt From Income Tax

2010

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

► The organization may have to use a copy of this return to satisfy state reporting requirements

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 10-01-2010 and ending 09-30-2011

B Check if applicable

 Address change Name change Initial return Terminated Amended return Application pending

C Name of organization

KNUTE NELSON

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
420 12TH AVENUE EAST

Room/suite

City or town, state or country, and ZIP + 4
ALEXANDRIA, MN 56308

D Employer identification number

41-1263433

E Telephone number

(320) 763-6653

G Gross receipts \$ 15,918,258

F Name and address of principal officer

MARK ANDERSON
420 12TH AVENUE EAST
ALEXANDRIA, MN 56308H(a) Is this a group return for affiliates? Yes NoH(b) Are all affiliates included? Yes No
If "No," attach a list (see instructions)

H(c) Group exemption number ► 9386

I Tax-exempt status 501(c)(3) 501(c) () (insert no) 4947(a)(1) or 527

J Website: ► WWW.KNUTENELSON.ORG

K Form of organization Corporation Trust Association Other ►

L Year of formation 1969

M State of legal domicile
MN

Part I Summary

1 Briefly describe the organization's mission or most significant activities
OPERATION OF NURSING HOME

2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a)

3

4 Number of independent voting members of the governing body (Part VI, line 1b)

4

5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)

5

6 Total number of volunteers (estimate if necessary)

6

7a Total unrelated business revenue from Part VIII, column (C), line 12

7a

b Net unrelated business taxable income from Form 990-T, line 34

7b

		Prior Year		Current Year	
		3,000	0	15,370,181	15,896,197
8	Contributions and grants (Part VIII, line 1h)	38,849	22,061		
9	Program service revenue (Part VIII, line 2g)	0	0		
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	15,412,030	15,918,258		
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)				
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)				

13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	45,246	28,919
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	9,890,143	10,509,722
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ► 955		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	5,237,662	4,911,091
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	15,173,051	15,449,732
19	Revenue less expenses Subtract line 18 from line 12	238,979	468,526

		Beginning of Current Year		End of Year	
		42,485,395	47,700,053	28,349,372	32,771,559
20	Total assets (Part X, line 16)	14,136,023	14,928,494		
21	Total liabilities (Part X, line 26)				
22	Net assets or fund balances Subtract line 21 from line 20				

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	*****	2012-08-14
	Signature of officer	Date
	MARK ANDERSON CEO	
	Type or print name and title	

Paid Preparer Use Only	Print/Type preparer's name KIM HUNWARDSEN CPA	Preparer's signature KIM HUNWARDSEN CPA	Date 2012-08-14	Check if self-employed <input type="checkbox"/>	PTIN
	Firm's name ► EIDE BAILLY LLP				Firm's EIN ►
	Firm's address ► 800 NICOLLET MALL STE 1300 MINNEAPOLIS, MN 554027033				Phone no ► (612) 253-6500

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III **1 Briefly describe the organization's mission**

THE MISSION OF KNUTE NELSON IS TO PROVIDE A FULL CONTINUUM OF SERVICES FOR OLDER ADULTS TO ENHANCE THEIR QUALITY OF LIFE OUR VISION IS TO BE THE RECOGNIZED LEADER OF QUALITY AND INNOVATIVE SERVICES FOR OLDER ADULTS

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a	(Code) (Expenses \$	13,672,761	including grants of \$	28,919) (Revenue \$	15,896,197)
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KNUTE NELSON, AN AFFILIATE OF EVANGELICAL LUTHERAN CHURCH OF AMERICA, PROVIDES A FULL CONTINUUM OF SERVICES FOR OLDER ADULTS TO ENHANCE THEIR QUALITY OF LIFE THROUGH A 140-BED SKILLED NURSING FACILITY, 59 ASSISTED LIVING UNITS, AND HOME CARE AGENCY. KNUTE NELSON HAS 350+ EMPLOYEES AND OVER 300 VOLUNTEERS MAKING IT ONE OF THE TOP TEN EMPLOYERS WITHIN THE CITY OF ALEXANDRIA. WITHIN THE SKILLED NURSING FACILITY, WE HAVE A SHORT-TERM STAY UNIT, REHABILITATION PROGRAM, CARE SUITES FOR END-OF-LIFE PROGRAMMING AND PROVIDE HOSPICE CARE IN PARTNERSHIP WITH LOCAL HOSPICE PROVIDERS FOR TERMINALLY-ILL RESIDENTS. WE ALSO HAVE A WELLNESS PROGRAM THAT PROVIDES CLASSES FOR RESIDENTS, ACTIVITIES, AND A CHAPLAINCY PROGRAM, ALL WHICH ENHANCE THEIR QUALITY OF LIVING. OUR CHAPLAINCY PROGRAM IS GUIDED BY CHRISTIAN PRINCIPLES. ALL FAITHS ARE CELEBRATED HERE AND OUR CHAPLAIN PROVIDES A WIDE RANGE OF SPIRITUAL CARE THROUGH WORSHIP SERVICE, BIBLE STUDY GROUPS, AND RESIDENT AND FAMILY SUPPORT. THE SKILLED NURSING FACILITY HAD 349 ADMISSIONS AND 358 DISCHARGES FROM 10/01/10 TO 09/30/11. AN INCREASING AREA OF FOCUS IS OUR SHORT-TERM STAY PROGRAM WHERE INDIVIDUALS WILL RECEIVE NECESSARY PHYSICAL, SPEECH, AND OCCUPATIONAL THERAPIES AND RETURN BACK TO THEIR HOME. KNUTE NELSON ACCEPTS ALL PAYOR SOURCES: MEDICARE, MEDICAID, INSURANCE, AND PRIVATE PAY. IF A RESIDENT IS UNABLE TO PAY FOR THEIR SERVICES, WE WILL WORK WITH THEM TO FIND A MEANS TO PAY FOR THEIR SERVICES AND HELP THEM FACILITATE THE APPLICATION PROCESS FOR MEDICAL ASSISTANCE THROUGH FAMILY MEMBERS. KNUTE NELSON AND DOUGLAS COUNTY SOCIAL SERVICES. THE GOAL OF THE KNUTE NELSON HOME CARE PROGRAM IS TO HELP INDIVIDUALS STAY IN THEIR OWN HOME AS LONG AS POSSIBLE. WE ARE ABLE TO HELP INDIVIDUALS OF ANY AGE WITH SKILLED NURSING SERVICES, PHYSICAL, SPEECH AND OCCUPATIONAL THERAPIES, IV THERAPY, WOUND CARE, PRIVATE DUTY NURSING, HOME HEALTH AIDE, OR ASSESSMENT AND MANAGEMENT OF THEIR MEDICAL NEEDS. WE SERVE INDIVIDUALS WITHIN A 100-MILE RADIUS OF ALEXANDRIA WITH BRANCH OFFICES IN MORRIS, ELBOW LAKE, LONG PRAIRIE, LITTLE FALLS, OLIVIA AND OSAKIS. OUR ASSISTED LIVING FACILITY, NELSON GABLES, PROMOTES INDEPENDENCE, SECURITY AND QUALITY OF LIFE. DAILY COFFEE HOUR, RESTAURANT STYLE MEAL PROGRAM, ACTIVE AGING WELLNESS CLASSES, PARTIES AND OUTINGS KEEP RESIDENTS AS ACTIVE AS THEY WISH TO BE. A 24-HOUR STAFF, UNDER THE DIRECTION OF A REGISTERED NURSE, IS READY TO OFFER ASSISTANCE WITH MEDICATION MANAGEMENT, MEDICATION ADMINISTRATION, BATHING, AND PERSONAL CARE. GRAND ARBOR, REGISTERED THROUGH KNUTE NELSON SENIOR LIVING CAMPUS, LLC, IS AN ENHANCED CONTINUING CARE RETIREMENT COMMUNITY THAT ENCOURAGES ACTIVE LIFESTYLES WITH A TOWN CENTER AND WELLNESS CENTER SET AMONG INDEPENDENT LIVING APARTMENTS, GENERAL AND HIGH ACUITY ASSISTED LIVING APARTMENTS, AND MEMORY CARE ASSISTED LIVING APARTMENTS. A 24-HOUR LICENSED STAFF, UNDER THE DIRECTION OF A REGISTERED NURSE, IS ABLE TO OFFER ASSISTANCE WITH MEDICATION MANAGEMENT, MEDICATION ADMINISTRATION, BATHING, AND OTHER PERSONAL CARES.

4b	(Code) (Expenses \$	including grants of \$) (Revenue \$)
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4c	(Code) (Expenses \$	including grants of \$) (Revenue \$)
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4d Other program services (Describe in Schedule O)

(Expenses \$	including grants of \$) (Revenue \$)
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4e Total program service expenses	\$ 13,672,761
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Part IV Checklist of Required Schedules

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? . . .

3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I . . .

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II . . .

5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III . . .

6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I

7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV

10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V

11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI

b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII

c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII

d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX

e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X

f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X

12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII

b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the United States? . . .

b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV . . .

15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? If "Yes," complete Schedule F, Parts II and IV . . .

16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? If "Yes," complete Schedule F, Parts III and IV . . .

17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)

18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II . . .

19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III . . .

20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H . . .

b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)

	Yes	No
1	Yes	
2		No
3		No
4		No
5		
6		No
7		No
8		No
9	Yes	
10		No
11a	Yes	
11b	Yes	
11c		No
11d		No
11e	Yes	
11f	Yes	
12a		No
12b	Yes	
13		No
14a		No
14b		No
15		No
16		No
17		No
18		No
19		No
20a		No
20b		

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	<input checked="" type="checkbox"/>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	<input checked="" type="checkbox"/>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		23		No
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25	<input checked="" type="checkbox"/>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		28a		No
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		28b		No
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		28c		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		29		No
30	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		30		No
31	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		31		No
32	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		32		No
33	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		33	Yes	
34	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	<input checked="" type="checkbox"/>	34	Yes	
35	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	<input checked="" type="checkbox"/>	35	Yes	
a	Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	<input checked="" type="checkbox"/>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	<input checked="" type="checkbox"/>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O		38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	20
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	458
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes
<p>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</p>			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country ► See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).	7a	No
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7b	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	No
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7e	No
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9a	
9	Sponsoring organizations maintaining donor advised funds.	9b	
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter	10a	
a	Initiation fees and capital contributions included on Part VIII, line 12	10b	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter	11a	
a	Gross income from members or shareholders	11b	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.	13a	
a	Is the organization licensed to issue qualified health plans in more than one state?		
<p>Note. See the instructions for additional information the organization must report on Schedule O</p>			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

1a Enter the number of voting members of the governing body at the end of the tax year **1a** 9

b Enter the number of voting members included in line 1a, above, who are independent **1b** 9

2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?

3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?

4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?

5 Did the organization become aware during the year of a significant diversion of the organization's assets?

6 Does the organization have members or stockholders?

7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?

b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?

8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following

a The governing body?

b Each committee with authority to act on behalf of the governing body?

9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O

	Yes	No
1a		
1b		
2	Yes	
3		No
4		No
5		No
6	Yes	
7a	Yes	
7b		No
8a	Yes	
8b	Yes	
9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

10a Does the organization have local chapters, branches, or affiliates?

b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?

11a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?

b Describe in Schedule O the process, if any, used by the organization to review this Form 990

12a Does the organization have a written conflict of interest policy? If "No," go to line 13

b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?

c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done

13 Does the organization have a written whistleblower policy?

14 Does the organization have a written document retention and destruction policy?

15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?

a The organization's CEO, Executive Director, or top management official

b Other officers or key employees of the organization

If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)

16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?

b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?

	Yes	No
10a		No
10b		
11a	Yes	
12a	Yes	
12b	Yes	
12c	Yes	
13	Yes	
14	Yes	
15a	Yes	
15b		No
16a		No
16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed MN

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply

Own website Another's website Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization

MARNIE GUGISBERG CFO
420 12TH AVENUE EAST
ALEXANDRIA, MN 56308
(320) 763-1164

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

 Check if Schedule O contains a response to any question in this Part VII
Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid

• List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

• List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations In Schedule O)	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee <input checked="" type="checkbox"/>	Institutional Trustee <input type="checkbox"/>	Officer <input type="checkbox"/>	Key Employee <input type="checkbox"/>	Highest compensated Employee <input type="checkbox"/>			
(1) TOM ANDERSON CHAIR	1 00	X		X			0	0	0
(2) RUTH NAGLE VICE CHAIR	1 00	X		X			0	0	0
(3) EILEEN EISER SECRETARY	1 00	X		X			0	0	0
(4) DENNIS SCHMIDT TREASURER	1 00	X		X			0	0	0
(5) ROGER BLANK CHAIR (THRU 2/13/11)	1 00	X		X			0	0	0
(6) BILL LEUTHNER SECRETARY (THRU 2/13/11)	1 00	X		X			0	0	0
(7) JAN LERVICK DIRECTOR	1 00	X					0	0	0
(8) DOUG HOUSKA DIRECTOR	1 00	X					0	0	0
(9) DEREK TROSVIG DIRECTOR	1 00	X					0	0	0
(10) KATHY NOHRE DIRECTOR	1 00	X					0	0	0
(11) YVONNE KINNEY-HOCKERT DIRECTOR	1 00	X					0	0	0
(12) JERRY HANSEN DIRECTOR (THRU 2/13/11)	1 00	X					0	0	0
(13) MARK ANDERSON CEO	35 00			X			128,355	0	20,472
(14) MARNIE GUGISBERG CFO	39 00			X			79,973	0	8,623

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **1**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	No
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
MARK LEE EXCAVATING 401 50TH AVE WEST ALEXANDRIA, MN 56308	CONTRACTOR	738,323
SENIOR HOUSING PARTNERS 2845 HAMLINE AVE NORTH ROSEVILLE, MN 55113	DEVELOPER	690,251
INNOVATIVE BUILDERS INC 2715 HIGHWAY 29 SOUTH SUITE 105 ALEXANDRIA, MN 56308	CONTRACTOR	655,754
POPE & ASSOCIATES 1255 ENERGY PARK DRIVE ST PAUL, MN 55108	ARCHITECTS	238,457
ADVANCED CONCRETE & MASONRY INC 9020 WYOMING AVE NORTH BROOKLYN PARK, MN 55445	CONTRACTOR	157,425
2. Total number of independent contractors (including but not limited to those listed above) who received more than		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **16**

Part VIII Statement of Revenue

Contributions, gifts, grants and other similar amounts		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
1a Federated campaigns	1a				
b Membership dues	1b				
c Fundraising events	1c				
d Related organizations	1d				
e Government grants (contributions)	1e				
f All other contributions, gifts, grants, and similar amounts not included above	1f				
g Noncash contributions included in lines 1a-1f \$					
h Total. Add lines 1a-1f					
Program Service Revenue		Business Code			
2a RESIDENT SERVICE REVENUE		623000	15,297,852	15,297,852	
b OTHER REVENUE		900099	525,302	525,302	
c AUXILIARY AND COFFEE S		721000	73,043	73,043	
d					
e					
f All other program service revenue					
g Total. Add lines 2a-2f			15,896,197		
3 Investment income (including dividends, interest and other similar amounts)					
			22,061		22,061
4 Income from investment of tax-exempt bond proceeds					
5 Royalties					
6a Gross Rents	(I) Real	(II) Personal			
b Less rental expenses					
c Rental income or (loss)					
d Net rental income or (loss)					
7a Gross amount from sales of assets other than inventory	(I) Securities	(II) Other			
b Less cost or other basis and sales expenses					
c Gain or (loss)					
d Net gain or (loss)					
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18					
a					
b Less direct expenses	b				
c Net income or (loss) from fundraising events					
9a Gross income from gaming activities See Part IV, line 19	a				
b Less direct expenses	b				
c Net income or (loss) from gaming activities					
10a Gross sales of inventory, less returns and allowances					
a					
b Less cost of goods sold	b				
c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code			
11a					
b					
c					
d All other revenue					
e Total. Add lines 11a-11d					
12 Total revenue. See Instructions			15,918,258	15,896,197	0 22,061

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22	28,919	28,919		
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	240,499		240,499	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	8,472,558	7,950,978	521,580	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	96,596	94,623	1,973	
9 Other employee benefits	1,033,653	964,954	68,699	
10 Payroll taxes	666,416	610,037	56,379	
a Fees for services (non-employees) Management				
b Legal	20,822		20,822	
c Accounting	18,132		18,132	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other	406,981	310,715	96,266	
12 Advertising and promotion	99,711		98,756	955
13 Office expenses	1,268,456	1,069,943	198,513	
14 Information technology				
15 Royalties				
16 Occupancy	662,412	662,412		
17 Travel	165,580		165,580	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	22,583		22,583	
20 Interest	353,669	353,669		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,009,343	1,009,343		
23 Insurance	161,538		161,538	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a SURCHARGE & PRE SCREEN	423,558	423,558		
b FOOD	127,248	127,248		
c LICENSES & PERMITS	50,344	16,892	33,452	
d EDUCATION	38,801	15,806	22,995	
e BAD DEBT	20,907	20,907		
f All other expenses	61,006	12,757	48,249	
25 Total functional expenses. Add lines 1 through 24f	15,449,732	13,672,761	1,776,016	955
26 Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year	(B) End of year
Assets	1 Cash—non-interest-bearing	1	
	2 Savings and temporary cash investments	1,507,344	2,140,092
	3 Pledges and grants receivable, net	3	
	4 Accounts receivable, net	1,369,727	1,392,841
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L	6	
	7 Notes and loans receivable, net	7	
	8 Inventories for sale or use	1,424	820
	9 Prepaid expenses and deferred charges	110,093	58,951
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	46,418,165
	b Less accumulated depreciation	10b	13,303,061
		14,885,600	10c
		14,885,600	33,115,104
	11 Investments—publicly traded securities	11	7,005,325
	12 Investments—other securities See Part IV, line 11	12	2,951,263
	13 Investments—program-related See Part IV, line 11	13	
	14 Intangible assets	292,500	275,833
	15 Other assets See Part IV, line 11	764,162	759,824
	16 Total assets. Add lines 1 through 15 (must equal line 34)	42,485,395	47,700,053
Liabilities	17 Accounts payable and accrued expenses	1,472,714	1,651,953
	18 Grants payable	18	
	19 Deferred revenue	19	
	20 Tax-exempt bond liabilities	25,189,394	27,762,690
	21 Escrow or custodial account liability Complete Part IV of Schedule D	36,164	37,504
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	22	
	23 Secured mortgages and notes payable to unrelated third parties	23	
	24 Unsecured notes and loans payable to unrelated third parties	177,308	130,036
	25 Other liabilities Complete Part X of Schedule D	1,473,792	3,189,376
	26 Total liabilities. Add lines 17 through 25	28,349,372	32,771,559
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.		
	27 Unrestricted net assets	13,043,514	27
	28 Temporarily restricted net assets	1,092,509	28
	29 Permanently restricted net assets	29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.		
	30 Capital stock or trust principal, or current funds	30	
	31 Paid-in or capital surplus, or land, building or equipment fund	31	
	32 Retained earnings, endowment, accumulated income, or other funds	32	
	33 Total net assets or fund balances	14,136,023	33
	34 Total liabilities and net assets/fund balances	42,485,395	34
		14,136,023	47,700,053

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	15,918,258
2	Total expenses (must equal Part IX, column (A), line 25)	2	15,449,732
3	Revenue less expenses Subtract line 2 from line 1	3	468,526
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	14,136,023
5	Other changes in net assets or fund balances (explain in Schedule O)	5	323,945
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	14,928,494

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? . . .	2a	No
2b	Were the organization's financial statements audited by an independent accountant? . . .	2b	Yes
2c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O . . .	2c	Yes
2d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . .	3a	No
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . .	3b	

SCHEDULE A
(Form 990 or 990EZ)**Public Charity Status and Public Support****2010****Open to Public
Inspection**Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

Name of the organization
KNUTE NELSON

Employer identification number

41-1263433

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.

2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)

3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.

4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state

5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)

6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.

7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)

8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)

9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)

10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.

11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h

e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii) a family member of a person described in (i) above?

(iii) a 35% controlled entity of a person described in (i) or (ii) above?

h Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?	(vi) Is the organization in col (i) organized in the U S ?	(vii) Amount of support
			Yes	No			
Total							

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						►

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization		►
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization		►
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization		►
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions		►

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	84,294	99,570	1,393,110	3,000		1,579,974
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	12,736,009	14,297,953	15,032,966	15,508,181	15,896,197	73,471,306
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	12,820,303	14,397,523	16,426,076	15,511,181	15,896,197	75,051,280
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b						0
8 Public Support (Subtract line 7c from line 6)						75,051,280

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6	12,820,303	14,397,523	16,426,076	15,511,181	15,896,197	75,051,280
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	206,171	155,822	60,584	38,773	22,061	483,411
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	206,171	155,822	60,584	38,773	22,061	483,411
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11 and 12)	13,026,474	14,553,345	16,486,660	15,549,954	15,918,258	75,534,691

14 **First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ►**Section C. Computation of Public Support Percentage**

15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	99 360 %
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	99 060 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	0 640 %
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	0 940 %
19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization ►		
b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization ►		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ►		

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

2010

Open to Public
Inspection**SCHEDULE D**
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.
► Attach to Form 990. ► See separate instructions.

Name of the organization
KNUTE NELSON**Employer identification number**

41-1263433

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e.g., recreation or pleasure) Preservation of an historically importantly land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
2a	
2b	
2c	
2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____

4 Number of states where property subject to conservation easement is located ► _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ _____

(ii) Assets included in Form 990, Part X ► \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$ _____

b Assets included in Form 990, Part X ► \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a Public exhibition d Loan or exchange programs
 b Scholarly research e Other
 c Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ►
 b Permanent endowment ►
 c Term endowment ►

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations
 (ii) related organizations

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Yes	No
3a(i)	
3a(ii)	
3b	

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	2,465,190			2,465,190
b Buildings	15,906,128	9,349,562		6,556,566
c Leasehold improvements				
d Equipment	4,366,410	3,365,418		1,000,992
e Other	23,680,437	588,081		23,092,356
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				33,115,104

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) CAREVENTURES COOPERATIVE	5,000	F
(B) INTEREST IN KNUTE NELSON FOUNDATION	2,946,263	F
		</td

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	15,918,258
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	15,449,732
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	468,526
4	Net unrealized gains (losses) on investments	4	67,754
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	256,191
9	Total adjustments (net) Add lines 4 - 8	9	323,945
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	792,471

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	15,918,258
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	15,918,258
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	15,918,258

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	15,449,732
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	15,449,732
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	15,449,732

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
	PART IV, LINE 2B	THE ORGANIZATION ACTS AS A CUSTODIAN FOR THE FUNDS OF THE RESIDENTS OF THE HOME AND ASSISTED LIVING
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE CORPORATION BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND, AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE CONSOLIDATED FINANCIAL STATEMENTS. THE CORPORATION WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED TO UNRECOGNIZED TAX LIABILITIES IN INCOME TAX EXPENSE, IF SUCH INTEREST AND PENALTIES ARE INCURRED
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN VALUE OF FOUNDATION 256,191

**Schedule I
(Form 990)**

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.

► Attach to Form 990

2010

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
KNUTE NELSON

Employer identification number

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed.  

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) SCHOLARSHIPS	18	28,919			

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 KNUTE NELSON MAKES PAYMENTS DIRECTLY TO THE SCHOOL AND DIRECTLY TO THE INDIVIDUALS, DEPENDING ON THE CIRCUMSTANCE FOR PAYMENTS MADE DIRECTLY TO INDIVIDUALS, A RECEIPT MUST BE PROVIDED SHOWING BOOK OR TUITION EXPENSE BEFORE THE SCHOLARSHIP IS ISSUED

**Schedule K
(Form 990)****2010****Open to Public
Inspection**Department of the Treasury
Internal Revenue Service**Supplemental Information on Tax Exempt Bonds**

► Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990).

► Attach to Form 990. ► See separate instructions.

Name of the organization
KNUTE NELSONEmployer identification number
41-1263433**Part I Bond Issues**

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A CITY OF ALEXANDRIA MINNESOTA	41-6004926	015185AL5	07-08-2010	19,865,000	BUILD SENIOR HOUSING CAMPUS		X		X		X
B CITY OF ALEXANDRIA MINNESOTA	41-6004926		06-08-2006	4,300,000	ASSISTED LIVING FACILITY AND REFUND PRIOR BONDS ISSUED 7/15/95		X		X		X
C CITY OF ALEXANDRIA MINNESOTA	41-6004926		07-08-2010	4,500,000	SKILLED NURSING FACILITY PROJECT		X		X		X

Part II Proceeds

		A	B	C	D
		588,176	588,176	314,134	
1 Amount of bonds retired					
2 Amount of bonds legally defeased					
3 Total proceeds of issue		19,866,691	4,300,000	4,500,000	
4 Gross proceeds in reserve funds		1,670,529			
5 Capitalized interest from proceeds		298,127			
6 Proceeds in refunding escrow					
7 Issuance costs from proceeds		570,936	83,118		
8 Credit enhancement from proceeds					
9 Working capital expenditures from proceeds					
10 Capital expenditures from proceeds		13,028,496	3,206,140	4,500,000	
11 Other spent proceeds		1,010,742	1,010,742		
12 Other unspent proceeds		2,647,283			
13 Year of substantial completion		2011	2007	2010	
		Yes	No	Yes	No
14 Were the bonds issued as part of a current refunding issue?			X	X	
15 Were the bonds issued as part of an advance refunding issue?			X		X
16 Has the final allocation of proceeds been made?			X		X
17 Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X

Part III Private Business Use

		A	B	C	D		
		Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?			X		X		
2 Are there any lease arrangements that may result in private business use of bond-financed property?			X		X		X

Part III Private Business Use (Continued)

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
		X		X		X		
3a Are there any management or service contracts that may result in private business use?		X		X		X		
b Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ►	0 %		0 %		0 %			
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ►	0 %		0 %		0 %			
6 Total of lines 4 and 5	0 %		0 %		0 %			
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X			

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
		X		X		X		
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		
2 Is the bond issue a variable rate issue?		X		X		X		
3a Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		X		
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was a hedge terminated?								
4a Were gross proceeds invested in a GIC?		X		X		X		
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?		X		X		X		
6 Did the bond issue qualify for an exception to rebate?		X		X		X		

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation
SCHEDULE K, PART II, LINE 11(B)		PAID TO REFUND PRIOR BONDS ISSUED JULY 17, 1995

SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
► Attach to Form 990 or 990-EZ.

2010**Open to Public
Inspection****Name of the organization**
KNUTE NELSON**Employer identification number**

41-1263433

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 1		THE EXECUTIVE COMMITTEE SHALL INCLUDE THE CHAIR, THE VICE-CHAIR, THE PRESIDENT, THE TREASURER, THE SECRETARY AND SUCH OTHER INDIVIDUALS, IF ANY, AS MAY BE APPOINTED BY THE BOARD FROM TIME TO TIME. THE EXECUTIVE COMMITTEE SHALL HAVE THE AUTHORITY OF THE BOARD IN THE MANAGEMENT OF THE BUSINESS OF THIS CORPORATION IN THE INTERVAL BETWEEN BOARD MEETINGS, AND THE EXECUTIVE COMMITTEE SHALL AT ALL TIMES BE SUBJECT TO THE CONTROL AND DIRECTION OF THE BOARD. THE EXECUTIVE COMMITTEE SHALL HAVE SUCH OTHER DUTIES AS MAY BE PRESCRIBED BY THE BOARD FROM TIME TO TIME.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2		TOM ANDERSON AND EILEEN EISER HAVE A BUSINESS RELATIONSHIP ROGER BLANK AND KATHY NOHRE HAVE A BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		THE MEMBERSHIP OF THE ORGANIZATION IS MADE UP OF FOURTEEN AREA LUTHERAN CHURCHES WHICH ARE ELECTED AS MEMBERS BY THE BOARD OF DIRECTORS OF THE ORGANIZATION AT ALL TIMES, THE MAJORITY OF MEMBERS OF THE ORGANIZATION ARE REQUIRED TO BE CONGREGATIONS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA, OR ITS SUCCESSOR

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		THE ORGANIZATION'S NOMINATING COMMITTEE, WHICH CONSISTS OF TWO VOTING DELEGATES OF MEMBERS ELECTED BY THE MEMBERS AT THE ANNUAL MEETING OF MEMBERS, THE PRESIDENT OF THE AUXILIARY/FRIENDS OF KNUTE, AND TWO DIRECTORS APPOINTED BY THE BOARD OF DIRECTORS, MAKES RECOMMENDATIONS FOR ELECTIONS TO THE BOARD OF DIRECTORS. THE BOARD OF DIRECTORS IS THEN ELECTED BY ITS MEMBERS AT AN ANNUAL MEETING

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE RETURN IS REVIEWED INITIALLY BY THE CFO AND CEO. THE FINANCE & AUDIT COMMITTEE THEN REVIEWS, PROVIDES A COPY TO THE BOARD OF DIRECTORS, AND MAKES A RECOMMENDATION TO THE BOARD OF DIRECTORS TO APPROVE THE RETURN

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	EACH OFFICER, DIRECTOR, AND KEY EMPLOYEE IS REQUIRED TO FILL OUT A CONFLICT OF INTEREST FORM ANNUALLY. THE FORM IS REVIEWED INITIALLY BY THE PRESIDENT OF THE BOARD OF DIRECTORS AND THE CEO FOR POTENTIAL CONFLICTS. IF A CONFLICT EXISTS, IT IS REVIEWED BY THE BOARD OF DIRECTORS. ANY PERSON WITH A CONFLICT IS RESTRICTED FROM VOTING ON RELATED MATTERS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15A	THE BOARD DETERMINES THE COMPENSATION OF THE CEO BASED ON COMPARABILITY DATA. THE CEO IS REVIEWED ANNUALLY BY THE EXECUTIVE BOARD WHICH THEN REPORTS BACK TO THE FULL BOARD OF DIRECTORS. THE DECISION IS NOTED IN THE BOARD MINUTES. THE CEO DETERMINES THE COMPENSATION OF THE CFO BASED ON COMPARABILITY DATA AND PRESENTS THIS INFORMATION TO THE EXECUTIVE TEAM OF THE BOARD OF DIRECTORS. THIS PROCESS TAKES PLACE ON AN ANNUAL BASIS.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
	FORM 990, PART VII	IN ADDITION TO THE HOURS SERVED ON KNUTE NELSON, THE ENTIRE BOARD OF DIRECTORS ALSO SERVES 1 HOUR PER WEEK AT KNUTE NELSON FOUNDATION, A RELATED ORGANIZATION. THE CEO AND CFO ALSO SERVE 5 HOURS AND 1 HOUR PER WEEK RESPECTIVELY TO KNUTE NELSON FOUNDATION

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 67,754 CHANGE IN VALUE OF FOUNDATION 256,191 TOTAL TO FORM 990, PART XI, LINE 5 323,945

SCHEDULE R
(Form 990)

Related Organizations and Unrelated Partnerships

2010

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
 ► Attach to Form 990. ► See separate instructions.

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InspectionDepartment of the Treasury
Internal Revenue Service

Name of the organization

KNUTE NELSON

Employer identification number

41-1263433

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) KNUTE NELSON SENIOR LIVING CAMPUS LLC 420 12TH AVENUE EAST ALEXANDRIA, MN 56308 27-2940787	SENIOR HOUSING	MN	102	31,500,886	KNUTE NELSON

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) KNUTE NELSON FOUNDATION 420 12TH AVENUE EAST ALEXANDRIA, MN 56308 41-1451486	FUNDRAISING	MN	501(C)(3)	LINE 11A, I N/A			No

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III or IV**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)
- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)
- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees
- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses
- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k	Yes	
1l	Yes	
1m	Yes	
1n	Yes	
1o		No
1p	Yes	
1q		No
1r		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)	KNUTE NELSON FOUNDATION	N	72,719	GENERAL LEDGER
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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